

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

| | | |
|-------------------------------------------------------------------------------------------|---|-------------------------|
| In re: |) | Chapter 11 |
| |) | |
| W. R. GRACE & CO., <u>et al.</u> , ¹ |) | Case No. 01-01139 (JKF) |
| |) | (Jointly Administered) |
| Debtors. |) | |
| Objection Deadline: February 25, 2009 at 4:00 p.m. Hearing Date: TBD only if necessary | | |

**SUMMARY OF APPLICATION OF REED SMITH LLP
FOR COMPENSATION FOR SERVICES AND REIMBURSEMENT OF
EXPENSES AS SPECIAL ASBESTOS PRODUCTS LIABILITY DEFENSE
COUNSEL TO DEBTORS FOR THE NINETIETH MONTHLY INTERIM
PERIOD FROM DECEMBER 1, 2008 THROUGH DECEMBER 31, 2008**

| | |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Name of Applicant: | Reed Smith LLP |
| Authorized to Provide Professional Services to: | W. R. Grace & Co., <i>et al.</i> , Debtors and Debtors-in-Possession |
| Date of Retention: | July 19, 2001, effective as of April 2, 2001 |
| Period for which compensation and reimbursement is sought: | December 1 through December 31, 2008 |
| Amount of fees sought as actual, reasonable and necessary: | \$296,040.50 |
| Amount of expenses sought as actual, reasonable and necessary | \$61,115.32 |
| This is a(n): <input checked="" type="checkbox"/> monthly <input type="checkbox"/> interim <input type="checkbox"/> final application. | |

¹ The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Status of Fees | Status of Expenses |
|------------|--------------------------|----------------|--------------------|---------------------------------|---------------------------------|
| 8/28/01 | 4/2/01 through 7/31/01 | \$40,583.00 | \$356.92 | No objections served on counsel | No objections served on counsel |
| 9/27/01 | 8/1/01 through 8/31/01 | \$90,113.00 | \$4,048.11 | No objections served on counsel | No objections served on counsel |
| 10/26/01 | 9/1/01 through 9/30/01 | \$155,804.00 | \$6,971.66 | No objections served on counsel | No objections served on counsel |
| 11/27/01 | 10/1/01 through 10/31/01 | \$229,036.50 | \$10,314.97 | No objections served on counsel | No objections served on counsel |
| 12/26/01 | 11/1/01 through 11/30/01 | \$216,703.50 | \$22,667.19 | No objections served on counsel | No objections served on counsel |
| 1/30/02 | 12/1/01 through 12/31/01 | \$152,288.00 | \$43,025.11 | No objections served on counsel | No objections served on counsel |
| 3/1/02 | 1/1/02 through 1/31/02 | \$152,389.50 | \$45,525.87 | No objections served on counsel | No objections served on counsel |
| 3/28/02 | 2/1/02 through 2/28/02 | \$115,694.50 | \$39,388.59 | No objections served on counsel | No objections served on counsel |
| 5/2/02 | 3/1/02 through 3/31/02 | \$95,617.50 | \$49,224.63 | No objections served on counsel | No objections served on counsel |
| 5/28/02 | 4/1/02 through 4/30/02 | \$125,169.50 | \$44,498.12 | No objections served on counsel | No objections served on counsel |
| 6/28/02 | 5/1/02 through 5/31/02 | \$186,811.50 | \$88,641.73 | No objections served on counsel | No objections served on counsel |
| 8/5/02 | 6/1/02 through 6/30/02 | \$167,414.75 | \$26,462.86 | No objections served on counsel | No objections served on counsel |
| 9/9/02 | 7/1/02 through 7/31/02 | \$121,203.75 | \$7,897.17 | No objections served on counsel | No objections served on counsel |
| 9/30/02 | 8/1/02 through 8/31/02 | \$183,876.75 | \$18,631.51 | No objections served on counsel | No objections served on counsel |
| 10/31/02 | 9/1/02 through 9/30/02 | \$205,975.00 | \$12,810.65 | No objections served on counsel | No objections served on counsel |
| 11/27/02 | 10/1/02 through 10/31/02 | \$172,838.75 | \$34,384.69 | No objections served on counsel | No objections served on counsel |
| 12/30/02 | 11/1/02 through 11/30/02 | \$115,576.00 | \$12,630.85 | No objections served on counsel | No objections served on counsel |
| 1/30/03 | 12/1/02 through /31/02 | \$36,744.50 | \$16,310.05 | No objections served on counsel | No objections served on counsel |
| 3/6/03 | 1/1/03 through 1/31/03 | \$123,884.00 | \$3,760.28 | No objections served on counsel | No objections served on counsel |
| 4/2/03 | 2/1/03 through 2/28/03 | \$233,867.50 | \$21,251.46 | No objections served on counsel | No objections served on counsel |
| 5/7/03 | 3/1/03 through 3/31/03 | \$124,350.00 | \$30,380.42 | No objections served on counsel | No objections served on counsel |
| 6/4/03 | 4/1/03 through 4/30/03 | \$223,770.50 | \$19,411.28 | No objections served on counsel | No objections served on counsel |
| 7/1/03 | 5/1/03 through 5/31/03 | \$190,838.00 | \$22,397.08 | No objections served on counsel | No objections served on counsel |

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Status of Fees | Status of Expenses |
|------------|--------------------------|-------------------------|--------------------|---------------------------------|---------------------------------|
| 7/31/03 | 6/1/03 through 6/30/03 | \$165,837.25 | \$18,778.12 | No objections served on counsel | No objections served on counsel |
| 8/29/03 | 7/1/03 through 7/31/03 | \$202,033.50 | \$13,132.57 | No objections served on counsel | No objections served on counsel |
| 10/2/03 | 8/1/03 through 8/31/03 | \$155,275.50 | \$5,526.19 | No objections served on counsel | No objections served on counsel |
| 10/28/03 | 9/1/03 through 9/30/03 | \$32,877.00 | \$5,836.88 | No objections served on counsel | No objections served on counsel |
| 11/28/03 | 10/1/03 through 10/31/03 | \$20,656.50 | \$3,553.00 | No objections served on counsel | No objections served on counsel |
| 12/29/03 | 11/1/03 through 11/30/03 | \$16,642.50 | \$352.73 | No objections served on counsel | No objections served on counsel |
| 2/4/04 | 12/1/03 through 12/31/03 | \$8,871.00 ² | \$1,332.05 | No objections served on counsel | No objections served on counsel |
| 3/10/04 | 1/1/04 through 1/31/04 | \$21,531.00 | \$85.71 | No objections served on counsel | No objections served on counsel |
| 4/7/04 | 2/1/04 through 2/29/04 | \$21,116.00 | \$2,537.94 | No objections served on counsel | No objections served on counsel |
| 5/5/04 | 3/1/04 through 3/31/04 | \$11,113.00 | \$442.16 | No objections served on counsel | No objections served on counsel |
| 6/4/04 | 4/1/04 through 4/30/04 | \$16,495.50 | \$41.08 | No objections served on counsel | No objections served on counsel |
| 7/1/04 | 5/1/04 through 5/31/04 | \$41,085.00 | \$2,386.50 | No objections served on counsel | No objections served on counsel |
| 8/2/04 | 6/1/04 through 6/30/04 | \$28,692.50 | \$725.43 | No objections served on counsel | No objections served on counsel |
| 9/3/04 | 7/1/04 through 7/31/04 | \$13,176.50 | \$328.55 | No objections served on counsel | No objections served on counsel |
| 10/5/04 | 8/1/04 through 8/31/04 | \$11,792.00 | \$1,500.03 | No objections served on counsel | No objections served on counsel |
| 10/28/04 | 9/1/04 through 9/30/04 | \$22,618.00 | \$97.76 | No objections served on counsel | No objections served on counsel |
| 11/29/04 | 10/1/04 through 10/31/04 | \$127,040.00 | \$2,696.29 | No objections served on counsel | No objections served on counsel |
| 1/7/05 | 11/1/04 through 11/30/04 | \$29,207.50 | \$1,858.91 | No objections served on counsel | No objections served on counsel |
| 2/9/05 | 12/1/04 through 12/31/04 | \$123,722.25 | \$2,598.89 | No objections served on counsel | No objections served on counsel |
| 3/1/05 | 1/1/05 through 1/31/05 | \$112,761.00 | \$3,520.69 | No objections served on counsel | No objections served on counsel |

² Although Reed Smith initially requested \$9,795.00 for the December 2003 monthly interim period, it revised its request after discovering an error in its Fee Application for that period, after the Fee Application was filed (and with the advice and consent of the Fee Auditor). The corrected amount requested by Reed Smith for that period is reflected above.

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Status of Fees | Status of Expenses |
|------------|--------------------------|----------------|--------------------|---------------------------------|---------------------------------|
| 3/29/05 | 2/1/05 through 2/28/05 | \$40,738.00 | \$2,719.01 | No objections served on counsel | No objections served on counsel |
| 4/27/05 | 3/1/05 through 3/31/05 | \$22,165.50 | \$281.04 | No objections served on counsel | No objections served on counsel |
| 5/31/05 | 4/1/05 through 4/30/05 | \$27,745.00 | \$373.42 | No objections served on counsel | No objections served on counsel |
| 6/30/05 | 5/1/05 through 5/31/05 | \$48,125.50 | \$1,444.96 | No objections served on counsel | No objections served on counsel |
| 8/2/05 | 6/1/05 through 6/30/05 | \$53,677.50 | \$2,901.34 | No objections served on counsel | No objections served on counsel |
| 8/31/05 | 8/1/05 through 8/31/05 | \$67,024.00 | \$4,443.37 | No objections served on counsel | No objections served on counsel |
| 10/28/05 | 9/1/05 through 9/31/05 | \$75,564.50 | \$1,333.69 | No objections served on counsel | No objections served on counsel |
| 11/28/05 | 10/1/05 through 10/31/05 | \$100,140.00 | \$2,209.06 | No objections served on counsel | No objections served on counsel |
| 12/29/05 | 11/1/05 through 11/30/05 | \$73,829.00 | \$2,476.74 | No objections served on counsel | No objections served on counsel |
| 2/3/06 | 12/1/05 through 12/31/05 | \$132,709.00 | \$9,322.91 | No objections served on counsel | No objections served on counsel |
| 3/6/06 | 1/1/06 through 1/31/06 | \$179,492.75 | \$7,814.56 | No objections served on counsel | No objections served on counsel |
| 3/28/06 | 2/1/06 through 2/28/06 | \$121,127.50 | \$2,113.02 | No objections served on counsel | No objections served on counsel |
| 4/28/06 | 3/1/06 through 3/31/06 | \$138,244.50 | \$8,928.17 | No objections served on counsel | No objections served on counsel |
| 5/30/06 | 4/1/06 through 4/30/06 | \$258,539.00 | \$3,990.53 | No objections served on counsel | No objections served on counsel |
| 6/28/06 | 5/1/06 through 5/31/06 | \$187,688.50 | \$7,066.20 | No objections served on counsel | No objections served on counsel |
| 7/31/06 | 6/1/06 through 6/30/06 | \$290,925.50 | \$7,211.50 | No objections served on counsel | No objections served on counsel |
| 9/1/06 | 7/1/06 through 7/31/06 | \$318,207.00 | \$5,751.93 | No objections served on counsel | No objections served on counsel |
| 9/28/06 | 8/1/06 through 8/31/06 | \$431,035.00 | \$19,258.20 | No objections served on counsel | No objections served on counsel |
| 10/30/06 | 9/1/06 through 9/30/06 | \$214,071.00 | \$8,718.91 | No objections served on counsel | No objections served on counsel |
| 11/28/06 | 10/1/06 through 10/31/06 | \$253,411.00 | \$3,957.53 | No objections served on counsel | No objections served on counsel |
| 12/21/06 | 11/1/06 through 11/30/06 | \$269,985.00 | \$10,276.93 | No objections served on counsel | No objections served on counsel |
| 1/29/07 | 12/1/06 through 12/31/06 | \$449,619.00 | \$13,006.42 | No objections served on counsel | No objections served on counsel |
| 3/2/07 | 1/1/07 through 1/31/07 | \$451,799.50 | \$10,807.56 | No objections served on counsel | No objections served on counsel |

| Date Filed | Period Covered | Requested Fees | Requested Expenses | Status of Fees | Status of Expenses |
|------------|--------------------------|----------------|--------------------|---------------------------------|---------------------------------|
| 3/28/07 | 2/1/07 through 2/28/07 | \$571,452.50 | \$26,064.65 | No objections served on counsel | No objections served on counsel |
| 5/1/07 | 3/1/07 through 3/31/07 | \$612,334.00 | \$21,618.02 | No objections served on counsel | No objections served on counsel |
| 5/30/07 | 4/1/07 through 4/30/07 | \$659,653.00 | \$95,262.97 | No objections served on counsel | No objections served on counsel |
| 6/29/07 | 5/1/07 through 5/31/07 | \$381,244.00 | \$76,304.87 | No objections served on counsel | No objections served on counsel |
| 7/31/07 | 6/1/07 through 6/30/07 | \$285,417.50 | \$25,072.31 | No objections served on counsel | No objections served on counsel |
| 8/31/07 | 7/1/07 through 7/31/07 | \$565,946.00 | \$27,996.57 | No objections served on counsel | No objections served on counsel |
| 9/28/07 | 8/1/07 through 8/31/07 | \$341,805.00 | \$30,377.98 | No objections served on counsel | No objections served on counsel |
| 10/30/07 | 9/1/07 through 9/30/07 | \$266,475.00 | \$47,419.66 | No objections served on counsel | No objections served on counsel |
| 11/29/07 | 10/1/07 through 10/31/07 | \$425,753.50 | \$56,702.47 | No objections served on counsel | No objections served on counsel |
| 12/31/07 | 11/1/07 through 11/30/07 | \$346,948.50 | \$28,452.97 | No objections served on counsel | No objections served on counsel |
| 2/1/08 | 12/1/07 through 12/31/07 | \$328,899.50 | \$6,684.25 | No objections served on counsel | No objections served on counsel |
| 2/29/08 | 1/1/08 through 1/31/08 | \$190,026.50 | \$66,680.87 | No objections served on counsel | No objections served on counsel |
| 3/28/08 | 2/1/08 through 2/29/08 | \$164,778.50 | \$6,812.83 | No objections served on counsel | No objections served on counsel |
| 4/29/08 | 3/1/08 through 3/31/08 | \$196,624.00 | \$7,770.05 | No objections served on counsel | No objections served on counsel |
| 5/28/08 | 4/1/08 through 4/30/08 | \$265,172.00 | \$14,840.69 | No objections served on counsel | No objections served on counsel |
| 6/30/08 | 5/1/08 through 5/31/08 | \$198,308.50 | \$5,407.12 | No objections served on counsel | No objections served on counsel |
| 7/29/08 | 6/1/08 through 6/30/08 | \$294,750.00 | \$11,846.36 | No objections served on counsel | No objections served on counsel |
| 8/28/08 | 7/1/08 through 7/31/08 | \$260,723.00 | \$30,905.57 | No objections served on counsel | No objections served on counsel |
| 9/29/08 | 8/1/08 through 8/31/08 | \$133,508.50 | \$25,510.91 | No objections served on counsel | No objections served on counsel |
| 10/30/08 | 9/1/08 through 9/30/08 | \$178,342.50 | \$62,002.21 | No objections served on counsel | No objections served on counsel |
| 11/28/08 | 10/1/08 through 10/31/08 | \$180,835.00 | \$97,238.00 | No objections served on counsel | No objections served on counsel |
| 12/29/08 | 11/1/08 through 11/30/08 | \$262,272.50 | \$66,906.64 | No objections served on counsel | No objections served on counsel |

As indicated above, this is the ninetieth application for monthly interim compensation of services filed with the Bankruptcy Court in the Chapter 11 Cases.

The total time expended for the preparation of this application is approximately 15 hours, and the corresponding estimated compensation *that will be requested in a future application* is approximately \$5,000.00.

The Reed Smith attorneys who rendered professional services in these cases during the Fee Period are:

| Name of Professional Person | Position with the applicant | Number of years as an attorney | Department | Hourly billing rate | Total billed hours | Total compensation |
|-----------------------------|-----------------------------|--------------------------------|------------|---------------------|--------------------|--------------------|
| James J. Restivo, Jr. | Partner | 37 Years | Litigation | \$675.00 | 8.90 | \$6,007.50 |
| Douglas E. Cameron | Partner | 24 Years | Litigation | \$615.00 | 64.60 | \$39,729.00 |
| Antony B. Klapper | Partner | 14 Years | Litigation | \$575.00 | 155.70 | \$89,527.50 |
| Traci Sands Rea | Partner | 13 Years | Litigation | \$435.00 | 93.30 | \$40,585.50 |
| Jesse J. Ash | Associate | 7 Years | Litigation | \$425.00 | 59.50 | \$25,287.50 |
| Margaret E. Rutkowski | Associate | 12 Years | Litigation | \$400.00 | 88.50 | \$35,400.00 |
| Andrew J. Muha | Associate | 7 Years | Litigation | \$385.00 | 4.40 | \$1,694.00 |
| Rebecca E. Aten | Associate | 5 Years | Litigation | \$335.00 | 57.30 | \$19,195.50 |
| Alexandria C. Samuel | Associate | 1 Year | Litigation | \$260.00 | 39.10 | \$10,166.00 |
| Chananya Kunvatanagarn | New Associate | 1 Year | Litigation | \$260.00 | 4.70 | \$1,222.00 |
| Danielle D. Rawls | Associate | 1 Year | Litigation | \$240.00 | 62.80 | \$15,072.00 |

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The paraprofessionals who rendered professional service in these cases during the Fee Period are:

| Name of Professional Person | Position with the applicant | Number of years in position | Department | Hourly billing rate | Total billed hours | Total compensation |
|-----------------------------|-----------------------------|-----------------------------|----------------------|---------------------|--------------------|--------------------|
| John B. Lord | Paralegal | 16 Years | Bankruptcy | \$230.00 | 2.20 | \$506.00 |
| Jennifer L. Taylor-Payne | Paralegal | 11 Years | Litigation | \$200.00 | 26.60 | \$5,320.00 |
| Julie K. Masal | Analyst | 8 Years | Knowledge Management | \$170.00 | .30 | \$51.00 |
| Amy E. Denniston | Senior Research Librarian | 10 Years | Knowledge Management | \$170.00 | .90 | \$153.00 |
| Sharon A. Ament | Paralegal | 4 Years | Litigation | \$165.00 | 33.00 | \$5,445.00 |
| Lisa K. Lankford | Case Assistant | 5 Years | Bankruptcy | \$125.00 | 1.20 | \$150.00 |
| Kacey E. Nero | Clerk | 2 Years | Risk Management | \$115.00 | 4.60 | \$529.00 |

Total Fees: \$296,040.50

COMPENSATION BY PROJECT CATEGORY

| Project Category | Hours | Amount |
|--------------------------------------------------|---------------|---------------------|
| Litigation | 10.20 | \$3,033.00 |
| Fee Applications | 14.50 | \$3,905.50 |
| Claim Analysis Objection Resolution & Estimation | 59.60 | \$24,452.50 |
| Montana Grand Jury Investigation | 583.20 | \$248,028.50 |
| Property Damage Claim Appeals | 40.10 | \$16,621.00 |
| Total | 707.60 | \$296,040.50 |

EXPENSE SUMMARY

| Description | Non-ZAI Science Trial | ZAI Science Trial |
|--------------------------------------------------------------------------------------|------------------------------|--------------------------|
| Telephone Expense | \$2.15 | ---- |
| PACER | \$18.64 | ---- |
| Lexis | \$17.46 | ---- |
| Westlaw | \$1,596.29 | ---- |
| IKON Copy Services/Outside Duplicating | \$2,554.99 | ---- |
| Duplicating/Printing/Scanning | \$351.30 | ---- |
| Documentation Charge | \$1,240.90 | ---- |
| Express Mail Service | \$161.33 | ---- |
| Postage Expense | \$33.12 | ---- |
| Consulting Fees | \$53,318.01 | ---- |
| Courier Service – Outside | \$1,562.58 | ---- |
| Mileage Expense | \$15.09 | ---- |
| Meal Expense | \$233.06 | ---- |
| General Expense: 12/29/08 charges for accessing materials from SDNY Bankruptcy Court | \$10.40 | ---- |
| SUBTOTAL | \$61,115.32 | \$0.00 |
| TOTAL | \$61,115.32 | |

Dated: February 2, 2009
Wilmington, Delaware

REED SMITH LLP

By: /s/ Kurt F. Gwynne

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Counsel